



Kingfisher plc Prelim Results

Year ended
2 February 2013

BETTER
HOMES,
BETTER
LIVES

Disclaimer

THE FOLLOWING PRESENTATION IS BEING MADE ONLY TO, AND IS ONLY DIRECTED AT, PERSONS TO WHOM SUCH PRESENTATION MAY LAWFULLY BE COMMUNICATED ('RELEVANT PERSONS'). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS PRESENTATION OR ANY OF ITS CONTENTS. THIS PRESENTATION DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL, ANY OFFERING OF SECURITIES OR ANY INVITATION OR INDUCEMENT TO ANY PERSON TO UNDERWRITE, SUBSCRIBE FOR OR OTHERWISE ACQUIRE SECURITIES IN ANY COMPANY WITHIN THE GROUP. NOR DOES IT CONSTITUTE AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY UNDER SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000.

PAST PERFORMANCE CANNOT BE RELIED ON AS A GUIDE TO FUTURE PERFORMANCE. THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE GROUP'S PLANS AND OBJECTIVES REGARDING THE GROUP'S FINANCIAL CONDITIONS, RESULTS OF OPERATIONS AND BUSINESSES. SOME OF THE FACTORS WHICH MAY CAUSE ACTUAL RESULTS TO DIFFER FROM THESE FORWARD-LOOKING STATEMENTS ARE DISCUSSED IN THE CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS SET OUT IN THE FINAL SLIDE OF THIS PRESENTATION. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS OR WILL BE MADE IN RELATION TO THE ACCURACY, FAIRNESS OR COMPLETENESS OF THE INFORMATION OR OPINIONS MADE IN THIS PRESENTATION.

THE FINANCIAL INFORMATION REFERENCED IN THIS PRESENTATION IS NOT AUDITED AND DOES NOT CONTAIN SUFFICIENT DETAIL TO ALLOW A FULL UNDERSTANDING OF THE RESULTS OF THE GROUP. FOR MORE DETAILED INFORMATION, THE ENTIRE TEXT OF THE ANNOUNCEMENT FOR THE YEAR ENDED 2 FEBRUARY 2013, CAN BE FOUND ON THE INVESTOR RELATIONS SECTION OF THE KINGFISHER WEBSITE WWW.KINGFISHER.COM.



Ian Cheshire

Group Chief Executive

Agenda

Introduction

Ian Cheshire
Chief Executive

Financial review

Karen Witts
Finance Director

Creating the Leader

Ian Cheshire
Chief Executive

Questions

New organisational structure, complete from March 2013 – Group Executive



New organisational structure, complete from March 2013 – Group Operating Board



2012/13 Summary

- Tough year, adjusted PBT down 11% impacted by:
 - Consumer uncertainty (macro, Euro, French elections)
 - Declining LFL markets in our 3 key territories
 - £39m from 7% fall in the Euro, 7% fall in the Zloty
 - c.£25m from UK weather
- ‘Creating the Leader’ programme well underway, on-going self-help initiatives supported our results
 - Cost efficiencies
 - Sales outperformed markets, higher share across Europe
 - Positive KEP⁽¹⁾
 - Strong free cash flow generation of £330m, annual dividend up 7%



Karen Witts

Group Finance Director

Financial summary

	2012/13	2011/12	% Change
Sales (£m)	10,573	10,831	+0.5% ⁽¹⁾
Adjusted PBT (£m) ⁽²⁾	715	807	(11.4)%
Adjusted basic EPS (p) ⁽²⁾	22.3	25.1	(11.2)%
Free cash flow (£m)	330	367	(10.0)%
Reported net cash/(financial net debt) (£m)	38	(88)	n/a
KEP (£m)	44	131	n/a
Dividend	9.46p	8.84p	+7.0%

⁽¹⁾ In constant currencies on a 52 week basis

⁽²⁾ Before exceptional items, IAS39, amortisation of acquisition intangibles, related tax items and tax on prior year items

France – profit maintained and margin growth despite soft markets

- 2% new space
- Gross margins benefiting from on-going self-help offset by pricing investment
- Both businesses taking share
 - Castorama - driven by 'Do-it-Smart' approach
 - Brico Dépôt - driven by new ranges and strong value credentials

 	Sales	+2.0%
	LFL	(0.5)%
	Sales	(1.7)%
	LFL	(2.8)%
Total France	Sales	+0.3%
	LFL	(1.6)%
	GM	+10bps
	Retail Profit	+0.2%

UK & Ireland – B&Q sales down in challenging markets; Screwfix model working well

- B&Q
 - Adverse weather
 - Seasonal sales down 9%
 - Profit impact c.£25m
 - Accelerated range change
 - Higher mix of 'TradePoint' sales
 - B&Q Ireland loss €9m
- Screwfix
 - 60 new outlets
 - 'Click, pay & collect' now 8% of total sales

	Sales	(3.6)% ⁽¹⁾
	LFL	(5.6)%
	GM	(20)bps
	Retail profit	(20.8)%
	Sales	+9.8% ⁽¹⁾
	Retail profit	+33.9%
Total UK & Ireland	Sales	(2.0)% ⁽¹⁾
	LFL	(5.2)%
	Retail Profit	(13.8)%

Other International – sales growth driven by store openings and Russia



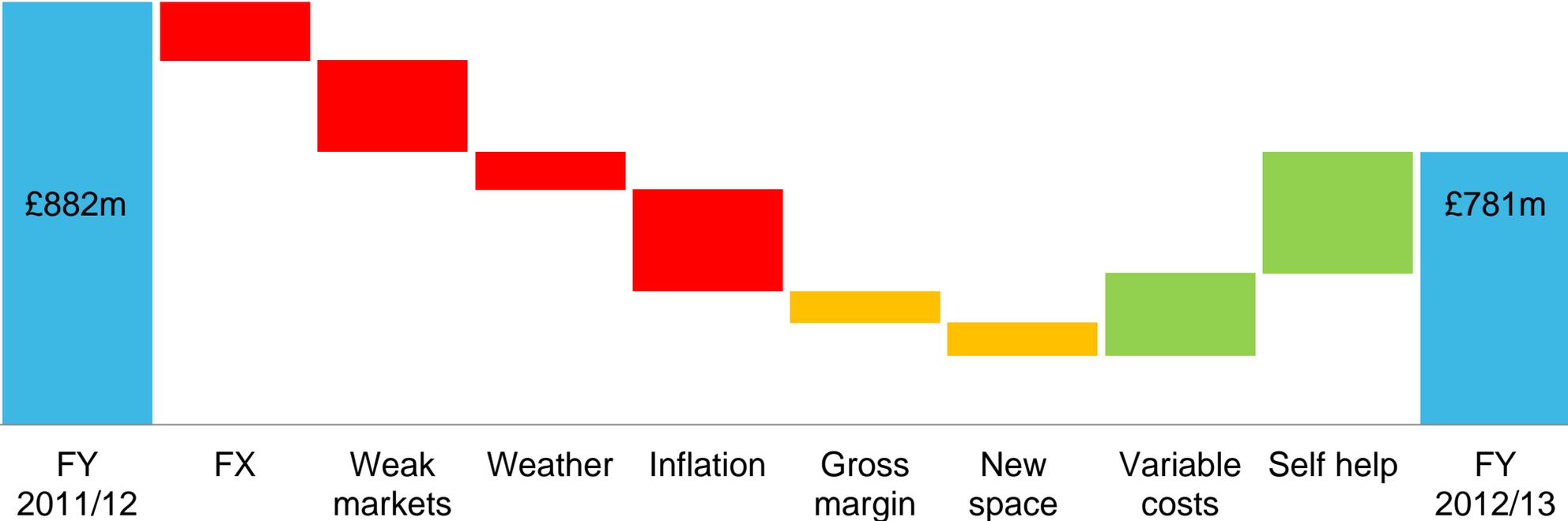
- Soft markets excluding Russia
- Russia now the second largest business in the division
- 3% new space
- Poland gross margins down reflecting on-going self-help offset by price investment
- B&Q China losses reflecting lower rental income & new format store trial

	Sales (%)	LFL (%)	Retail profit (£m)
Poland	+0.6%	(5.1)%	107
Russia	+38.3%	+17.9%	16
Spain	+3.0%	(6.8)%	1
Turkey ⁽¹⁾	+4.1%	(4.1)%	9
China	(0.8)%	+0.1%	(9)
Hornbach ⁽²⁾	n/a	n/a	26
Total	+6.6%	(0.7)%	150

⁽¹⁾ Joint Venture sales are not consolidated

⁽²⁾ Associate sales are neither consolidated nor controlled therefore not applicable

Retail profit drivers across the year



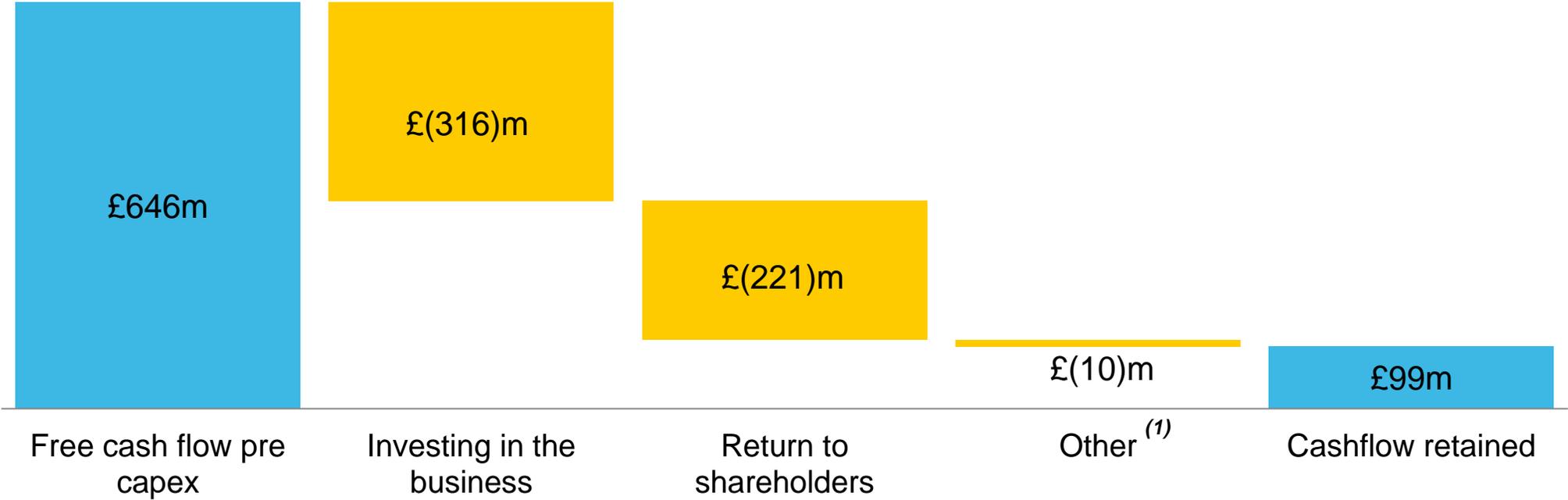
Key financials continued

		2012/13	2011/12	% Change
Effective tax rate ⁽¹⁾		27%	28%	n/a
Post tax exceptional items (£m)				
• H1 £(5)m		£(25)m	£(5)m	n/a
• H2 £(20)m inc. B&Q Ireland restructuring ⁽²⁾				
Dividends	Interim	3.09p	2.47p	+25.1%
	Final	6.37p	6.37p	Flat
	Total full year	9.46p	8.84p	+7.0%
	Cover	2.4x	2.8x	(0.4) times

⁽¹⁾ Before exceptional items and tax on prior year items

⁽²⁾ Total cash outflow in FY 2013/14 expected to be around £11 million

Use of cash – investing in the business and dividend growth for shareholders



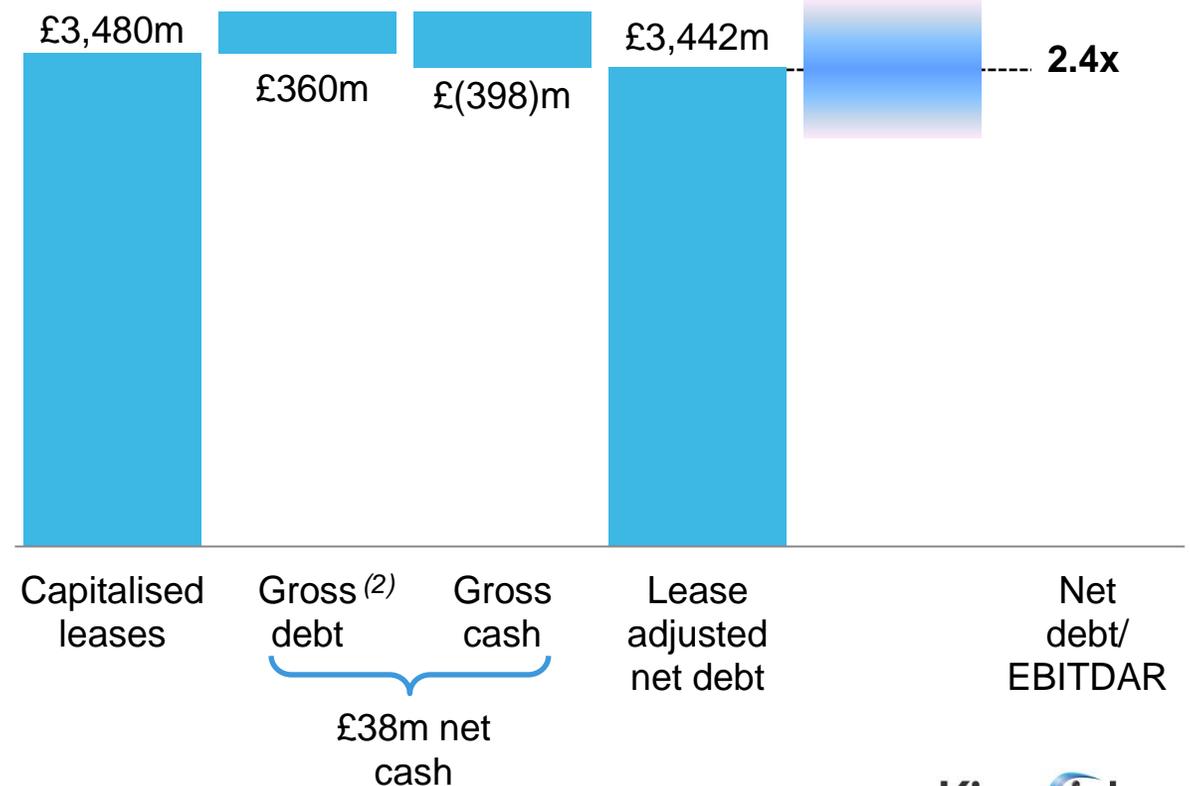
⁽¹⁾ Includes dividends received from JVs and associates, business acquisitions, issue of shares and exceptional items (excluding property disposals)

Principles for the use of future cash

- Maintaining a strong balance sheet
- Investing in the business where returns are attractive
- Returns to shareholders
 - Healthy annual dividend
 - Return surplus capital via share buyback or special dividend

1. Maintaining a strong balance sheet

- Financial flexibility
 - Retain a solid investment grade credit rating
 - Target the metrics for BBB flat
- At neutral financial net debt our balance sheet still has significant leverage
 - c. 2/3 of our stores are leased
 - Adjusted net debt/EBITDAR is 2.4 times⁽¹⁾



⁽¹⁾ See Net debt/EBITDAR reconciliation in appendix for definitions

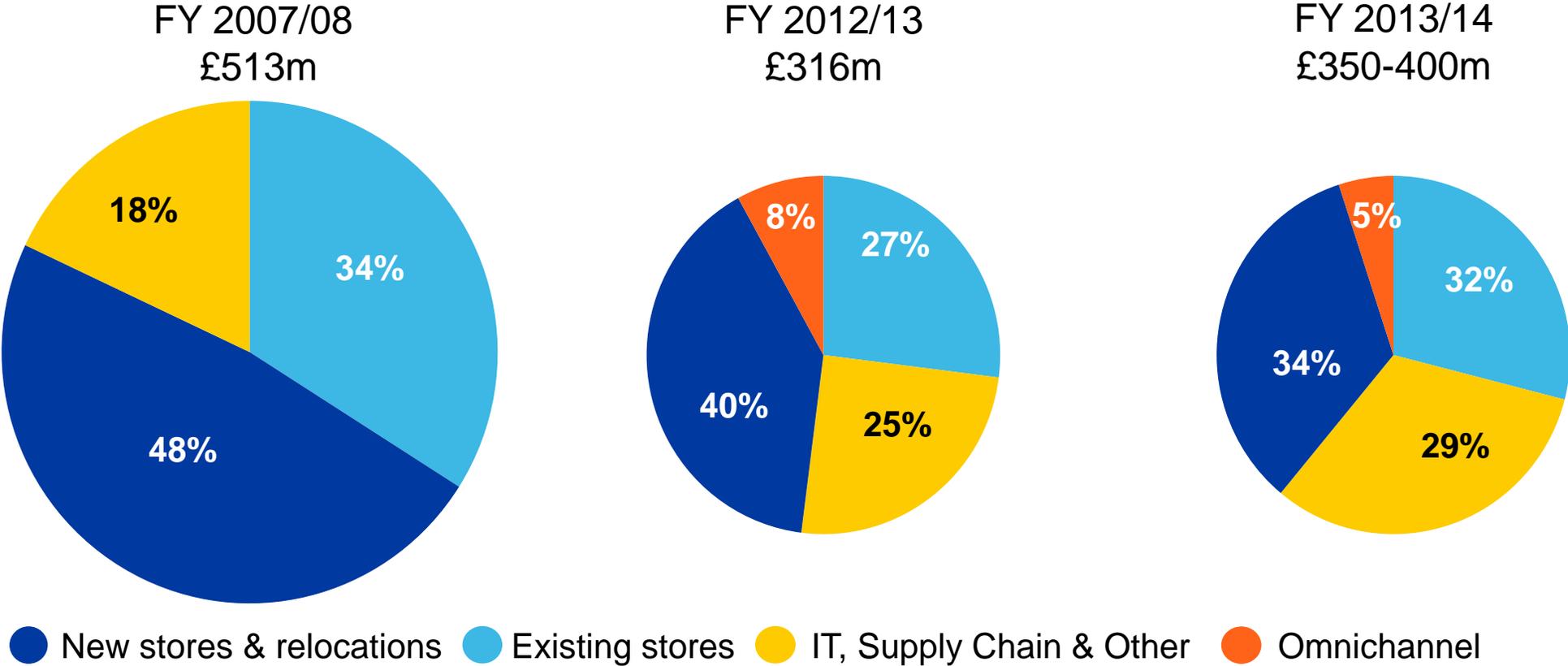
⁽²⁾ Includes derivatives

2. Investing in the business – robust approach



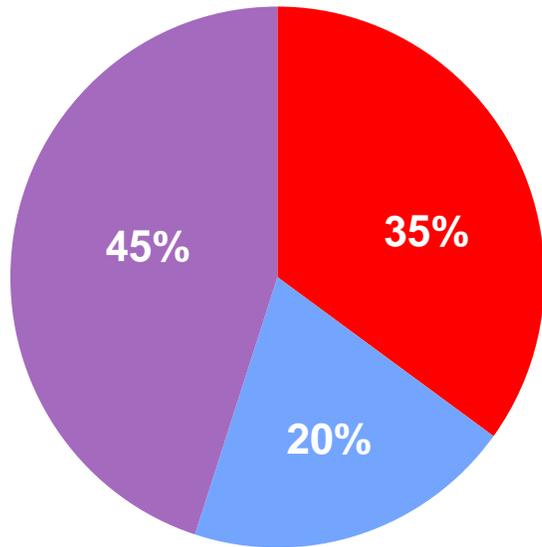
⁽¹⁾ Capital Expenditure Committee consists of Group CEO, Group FD, CEO Group Productivity & Development, Group Property Director and Group General Counsel

Capex has fallen and spend mix has evolved...

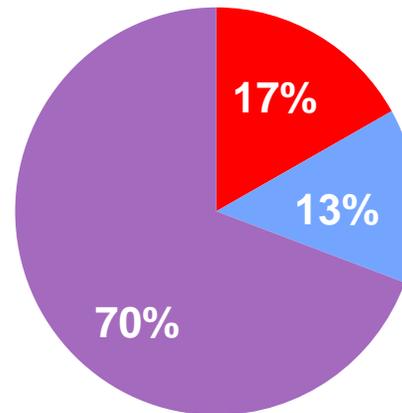


...targeting new store spend only where returns are attractive

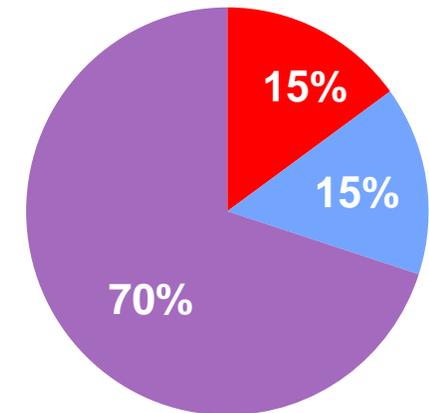
FY 2007/08
£218m⁽¹⁾



FY 2012/13
£96m⁽¹⁾



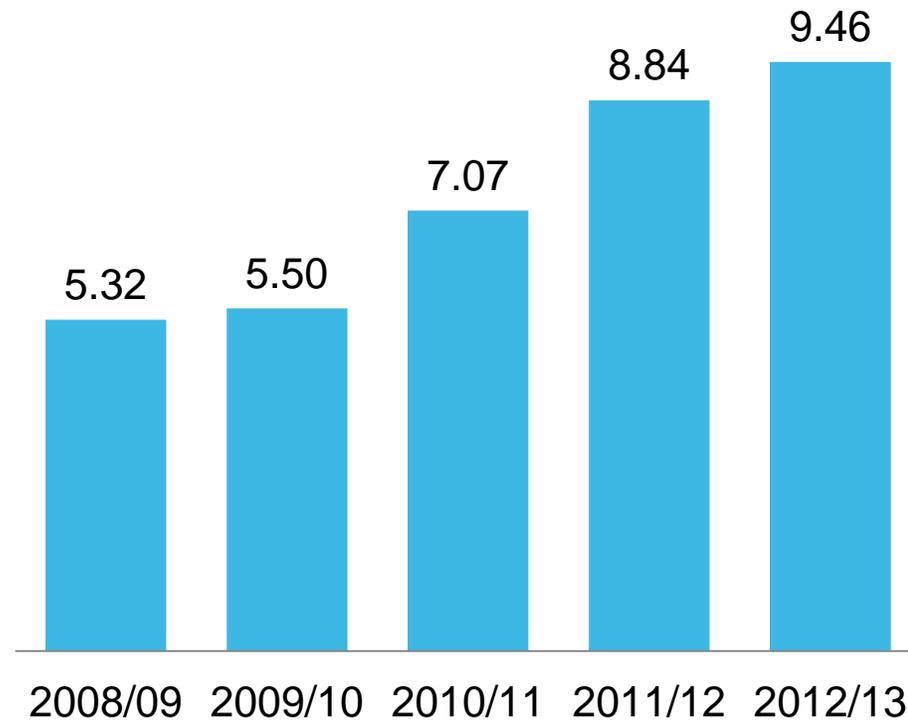
FY 2013/14
c. £100m⁽¹⁾



● Other international ● UK & Ireland ● France

3. Returns to shareholders – healthy annual dividend

Dividends per share (pence)



“Kingfisher will aim to move towards a medium term annual dividend cover of around 2.5 times which is consistent with the cash generation of our business and our capital needs”

Return surplus capital via share buyback or special dividend

- Surplus capital arises when the balance sheet moves from 'strong' to 'over prudent'
 - Better than BBB flat metrics
 - Stable or growing economic environment
 - Key Spring/Summer season performance known
 - More than sufficient flexibility
- No surplus as at 2 February 2013, but kept under close review

2012/13 summary

- Tough year, self help supporting performance
- Strong free cash flow, robust balance sheet and KEP positive
- Clear approach to the use of cash



Ian Cheshire

Group Chief Executive

‘Creating the Leader’

BETTER
HOMES,
BETTER
LIVES

'Creating the Leader'

Easier

1. Making it easier for customers to improve their home
2. Giving our customers more ways to shop

Common

3. Building innovative common brands
4. Driving efficiency and effectiveness everywhere

Expand

5. Growing our presence in existing markets
6. Expanding in new and developing markets

One Team

7. Developing leaders and connecting people
8. Sustainability: becoming 'Net Positive'

Sales

Gross margin

Cost efficiencies

Kingfisher

CREATING
THE
LEADER
EASIER

INSPIRATION
RANGE
CONFIDENCE
AFFORDABLE
TECHNOLOGY
HELPFUL
EDUCATION
OMNI-CHANNEL
CHOICE
IDEAS
ADVANTAGE
AVAILABILITY
ACCESSIBLE
SIMPLICITY
CONVENIENT
RESEARCH

2012/13 milestones

To do list:

1. Complete UK roll out of DIY training classes ✓
2. Launch B&Q YouTube channel ✓
3. Test new formats in France, UK, Turkey, Russia & China ✓
4. Prepare for the UK's 'Green Deal' ✓
5. Launch Screwfix mobile 'click, pay & collect' offer ✓
6. Develop a Group omnichannel platform and implement first in 'TradePoint' ✓
7. Upgrade B&Q's on-line offer ✓
8. Trial 'click & collect' in Castorama France ~~WIP~~



EDLP⁽¹⁾+ strategy on kitchens, bathrooms and bedrooms



- Aim
 - Make this traditionally 'hi-low' priced category easier for customers
 - Drive a smoother sales profile across the year
 - Improve category profitability and KEP
- Total cash sales⁽²⁾ up YOY, continuing to gain market share⁽³⁾
- 90,000 unique visitors to 'Kitchen-compare.com'⁽⁴⁾ and competitor set extended
- 'Bathroom-compare.com'⁽⁴⁾ recently launched



⁽¹⁾ Every Day Low Prices

⁽²⁾ Cash sales are recognised as sales when the products are delivered to the customer

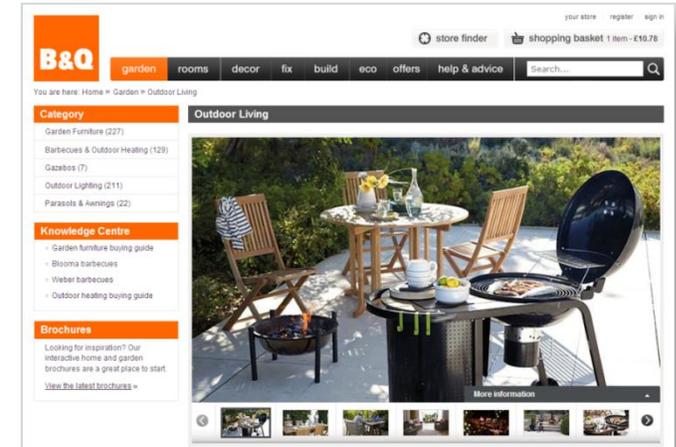
⁽³⁾ As per GfK data

⁽⁴⁾ Independently managed by Insight Retail Limited

Screwfix leading the way on omnichannel – TradePoint going live 24/7



- Screwfix 'click, pay & collect' sales already 8% of total sales
- First implementation of Group omnichannel platform launching in B&Q's 'TradePoint'
 - www.trade-point.co.uk transactional on 6,000 largely Screwfix products
 - Entire price file available on-line to help trade customers plan and quote jobs
 - Delivery primarily by Screwfix distribution network
 - Further ranges will be added across the year alongside B&Q www.diy.com upgrade
 - Mobile 'click, pay & collect' offer due later this year



TradePoint video

Easier

2013/14 milestones

To do list - Affordability:

1. Launch 'handy prices' in B&Q
2. Brico Dépôt 'back to basics' marketing campaign
3. Extend Brico Dépôt France & Spain programme of 'arrivages'⁽¹⁾ to Turkey & Poland
4. Launch UK Enterprise Finance Guarantee scheme for tradesmen



Handy Prices
to help you do it



2013/14 milestones

To do list - Omnichannel:

1. UK multi-channel offer:
 - Launch upgraded B&Q on-line offer (www.diy.com), including 20,000 extra products for home delivery (using Screwfix omnichannel infrastructure)
 - Extend TradePoint website to main shop floor categories e.g. kitchens
2. Launch upgraded websites in Poland, Turkey, China, Brico Dépôt France & Spain
3. Trial 'click & collect' in Castorama France & Turkey



CREATING
THE
LEADER
COMMON

INNOVATION
WORLD'S BEST
PRODUCTS EFFICIENCY
EXCLUSIVE BRANDS
LOCAL MARKETS
UNIQUE CUSTOMER
SCALE CHOICE
LOCAL DIVERSE
PRODUCTIVITY INTERNATIONAL
EXCLUSIVE
DIRECT
SOURCING
TASTE
STRONGER
TOGETHER

2012/13 milestones

To do list:

1. 18% of sales to be direct sourced ✓
2. 7% of sales to be common ✓
3. Double direct sourcing in our developing markets (Poland, Russia, Turkey & China) ✗
4. Extend 'Trade' common own brands in Screwfix and Brico Dépôt ✓
5. Develop a Group-wide stock forecasting and replenishment IT solution, implement first in B&Q UK ✓
6. GNFR⁽¹⁾ savings from European-wide supply negotiations including marketing catalogue printing and store fixture and fittings costs ✓

Sourcing initiatives update

- Achieved 8%⁽¹⁾ common and 19%⁽¹⁾ direct sourcing targets
 - More than 9,000 common products
 - Building and Seasonal Products more than 10% common
- Direct sourcing in our developing markets up 63%



blooma 



 blyss

⁽¹⁾ As a % of Group sales

Common product definition:

Same product or; similar product from the same supplier where the same product is not possible due to market/legal reasons (e.g. Electrical extension cable same supplier but different sockets)

Trade common own brands continue to expand



- Brico Dépôt's OPP⁽¹⁾ 'Energer' power tool range launched in Screwfix
 - Launched in January, range to be extended in 2013
 - Good early signs
 - Retail prices 11% cheaper than previous range
- 'SITE' brand Work wear
 - Better product at lower prices for customers
 - Full range launched in Screwfix, replacing previous brands
 - Big range, now 1/4 of work wear sales
 - Sales +26%, cash margin +30%
 - 65% direct sourced and increasing
 - Full launch also planned for 2013 in Brico Dépôt following successful trials



B&Q new tiling range

- Now an easier range to shop
 - Range choice reduced from c3,000 to 600 products
 - 100% takeaway with no special order
 - Sample tiles incorporated, proving popular
- Good results so far
 - Grown market share⁽¹⁾
 - Positive LFL in a weak market⁽¹⁾ since H1
 - Castorama France & B&Q already share same best sellers
 - Merchandised as successful Castorama 4 'style houses'



2013/14 milestones

To do list - Product:

1. Launch new energy-efficiency 'iQE' Group brand
2. Paint (c.9% of Group sales)
 - Roll out 'colours' Group own-brand paint into Russia & Spain
 - Roll out new coloured emulsion paint range - 2/3 common B&Q UK & Castorama France
 - Launch exclusive Valspar paint mixing desk into B&Q and China
3. Full launch of Site work wear into Brico Dépôt
4. Launch inaugural European product show, to be attended by 6,000 store & buying colleagues' teams from the UK & France

iQE™
Clever Energy

Common



One TEAM
PRODUCT SHOW
LILLE 2013

Kingfisher

2013/14 milestones

To do list - Efficiency:

1. Upweighted distribution and cross docking capability in Poland, Spain & Turkey
2. SG&A⁽¹⁾ optimisation from media buying programmes across the UK & France
3. Extend Brico Dépôt shelf ready packaging from 20% to 30%
4. Roll out France & Spain all staff bonus programmes to Poland (linked to individual store sales & profit growth)
5. IT process mapping analysis at Castorama France in readiness for Group SAP implementation



CREATING
THE
LEADER
EXPAND

CONSUMER REACH
GROWTH
KINGFISHER ECONOMIC PROFIT
HIGHER RETURNS
SMALL BOX
INFILL FLEXIBILITY
TOMNI-CHANNEL
BIG BOX
NEW TERRITORIES
AMBITION
INTERNATIONAL CAPABILITY
LOCAL EXPERTISE

2012/13 milestones

To do list:

1. Open 67 net new stores (UK 50, France 2, Poland 6, Russia 2, Turkey 4 & Spain 3) ✓
- 70 net new stores opened (UK 61⁽¹⁾, France 2, Poland 3, Russia 1, Turkey 1, Spain 3 & 1 less in China)
2. Revamp and extend 5 Castorama France stores ✓
3. Test a 'DFM'⁽²⁾ store model in China ✓



⁽¹⁾ 60 were Screwfix outlets

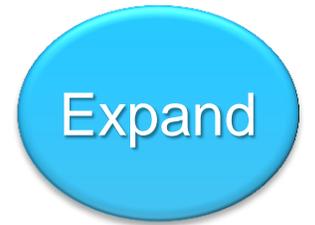
⁽²⁾ Do it for me

China small Design Centre trial store opening now in central Shanghai



- 4,000m² (versus c.10,000m² previously)
- Up-weighted offer (service, product, room & apartment displays)
- Improved omnichannel capability
- Stock held in central distribution hub for home delivery
- Early days





B&Q UK rightsizing

- One freehold store already completed
 - Store reduced in size by 50% (13,000m² to 6,500m²)
 - Sales density improvement of 88%
 - Planning permission took 12 months
 - Capital value increase following change of use
- Further opportunities being investigated
 - 4 further agreements already in place
 - Now awaiting planning permission (c.6-18 months)
- 5 store package represents c.£30m reduction to lease adjusted debt
- KEP attractive



2013/14 milestones

	Stores FY12/13	M2 Store space at Jan 2013	New stores 2013/14	% Space growth 2013/14
UK & Ireland 	633	2,581	50 ⁽¹⁾	+0.1%
France 	207	1,661	5	+3% ⁽²⁾
Poland 	70	513	2	+4%
Turkey 	37	194	4	+12%
Russia 	19	170	1	+5%
China 	39	326	0	(3)%
Spain 	20	116	6	+34%
	1,025	5,561	68	3%

To do list:

- 1. 3% space growth*
- 2. Evaluate Screwfix international opportunities*

⁽¹⁾ Screwfix outlets

⁽²⁾ French space growth includes four Castorama revamps

CREATING
THE
LEADER
ONE TEAM

ACADEMY
DEVELOPING
LEADERS
RECRUITMENT
CONNECTING
PEOPLE
HARNESS
ACADEMY
T
ENGAGEMENT
AMBITION
A
RETENTION
L
E
N
T
NET
POSITIVE
DIVERSITY
COLLABORATION
FORCE
FOR GOOD
SKILLS
MOBILITY
POSITIVE
IMPACT



2012/13 milestones

To do list:

1. *Launch the Kingfisher Academy* ✓
2. *Launch 'Net Positive' and associated dashboard* ✓

ECO IS GOING MAINSTREAM ⁽¹⁾

Making homes eco-friendly is an increasingly important factor for consumers across Europe, with 32% saying it is "very important" to them.



⁽¹⁾ Kingfisher European Home Report 2012



'Net Positive'

- Net Positive Dashboard to be updated annually
- Continued leadership in SRI Indexes



FTSE4Good



**Dow Jones
Sustainability Indexes**
Member 2012/13

2012/13 Summary & Outlook

- Tough year
- Self help continues to support trading
- ‘Creating the Leader’ well underway
- Challenging economic backdrop persists
 - In robust shape
 - Remain focused on cash generation, KEP and shareholder value
- Excellent prospects

Cautionary note regarding forward-looking statements

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, WHICH SHOULD BE CONSIDERED, AMONGST OTHER STATUTORY PROVISIONS, IN LIGHT OF THE SAFE HARBOUR PROVISIONS OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS MAY BE FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE, THEREFORE, SUBJECT TO RISKS, ASSUMPTIONS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BECAUSE THEY RELATE TO FUTURE EVENTS. THESE FORWARD LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS RELATING TO THE COMPANY'S EXPECTATIONS AROUND THE COMPANY'S PROGRAMME KNOWN AS 'CREATING THE LEADER' AND ITS ASSOCIATED EIGHT STEPS.

FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE USE OF RELEVANT TERMINOLOGY INCLUDING THE WORDS: "BELIEVES", "ESTIMATES", "ANTICIPATES", "EXPECTS", "INTENDS", "PLANS", "GOAL", "TARGET", "AIM", "MAY", "WILL", "WOULD", "COULD" OR "SHOULD" OR, IN EACH CASE, THEIR NEGATIVE OR OTHER VARIATIONS OR COMPARABLE TERMINOLOGY AND INCLUDE ALL MATTERS THAT ARE NOT HISTORICAL FACTS. OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE ESTIMATED BY THE FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, GLOBAL ECONOMIC BUSINESS CONDITIONS, MONETARY AND INTEREST RATE POLICIES, FOREIGN CURRENCY EXCHANGE RATES, EQUITY AND PROPERTY PRICES, THE IMPACT OF COMPETITION, INFLATION AND DEFLATION, CHANGES TO REGULATIONS, TAXES AND LEGISLATION, CHANGES TO CONSUMER SAVING AND SPENDING HABITS AND OUR SUCCESS IN MANAGING THESE FACTORS.

CONSEQUENTLY, OUR ACTUAL FUTURE FINANCIAL CONDITION, PERFORMANCE AND RESULTS COULD DIFFER MATERIALLY FROM THE PLANS, GOALS AND EXPECTATIONS SET OUT IN OUR FORWARD-LOOKING STATEMENTS. WE URGE YOU TO READ OUR ANNUAL REPORT AND OTHER COMPANY REPORTS, INCLUDING THE RISK FACTORS CONTAINED THEREIN, FOR A MORE DETAILED DISCUSSION OF THE FACTORS THAT COULD AFFECT OUR FUTURE PERFORMANCE AND THE INDUSTRY IN WHICH WE OPERATE. RELIANCE SHOULD NOT BE PLACED ON ANY FORWARD LOOKING STATEMENT. OUR FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS PRESENTATION AND THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE. NOTHING IN THIS PRESENTATION SHOULD BE CONSTRUED AS A PROFIT FORECAST.



Questions